GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands – APIIC Ltd – Coordinated Growth Policy (CGP) for conversion of land use for units located in Industrial Estates/ Parks/Areas and Standalone Industrial Units which are sick as per the definition of insolvency and bankruptcy Code and units which can not operate due to pollution, urban growth and other factors – Operational Guidelines for implementation of the Policy - Orders – Issued.

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.54 Date: 29/07/2022.

Read the following:

1. G.O.Ms.No.6, Ind & Com (Infra) Dept, dt.04.02.2022.
2. From the VC&MD, APIIC Ltd., Single File No.APIIC-17035/7/2022-ASSET MGMT-APIIC, dt.12.06.2022.

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ORDER:

In the G.O. 1st read above, orders were issued introducing the "Coordinated Growth Policy (CGP)" for conversion of land use for units which are sick as per the definition of Insolvency and Bankruptcy Code and units which cannot operate due to other factors, to assist in the turnaround of sick units by permitting to unlock the land value of brownfield assets and to leverage financial resources from such conversions indicating that detailed guidelines will be issued separately in the matter.

2. In his proposal 2nd read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., has submitted the draft operational guidelines for approval of Government.

3. Government, after careful examination, hereby approve the operational guidelines for implementation of Co-ordinated Growth Policy (CGP) for conversion of land use for units located in Industrial Estates/ Parks/Areas and Standalone Industrial Units which are sick as per the definition of insolvency and bankruptcy Code and units which can not operate due to pollution, urban growth and other factors, as appended to this order for implementation of the policy.

4. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, APIIC Tower, Plot No.CFC-1, IT Park, Mangalagiri, Guntur Dist., A.P. – 522 503.

Copy to:
The Director of Industries, APIIC Tower, Mangalagiri, Guntur District, A.P. – 522 503.
The Municipal Administration & Urban Development Department, A.P. Secretariat.
The Panchayat Raj & Rural Development Department, A.P. Secretariat.
The P.S. to Additional Secretary to C.M., CMO, A.P. Secretariat, Velagapudi.
The P.S. to Hon'ble Minister (III&C and IT), A.P. Secretariat, Velagapudi.
The P.S. to Chief Secretary to Government, A.P. Secretariat.
The P.S. to Spl.Chief Secretary to Govt & CIP, Ind & Com Dept, A.P. Secretariat.
SC/SF.

//FORWARDED BY: ORDER//

K. Roopa
SECTION OFFICER

Operational Guidelines for implementation of COORDINATED GROWTH POLICY issued vide G.O.Ms.No.06, Ind. & Comm. Dept., dated 04.02.2022

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1. Definitions and Abbreviations

I.	SDP	Single Desk Portal
II.	Change in Line of Activity	Changing the existing business line of activity (e.g. manufacturing PET bottles) to new business line of activity (e.g., commercial outlet) permissible by APIIC as per allotment regulation or any Government Order issued from time to time.
III.	CLU	"Change of Land Use" from Industrial to Non-Industrial such as residential or commercial
IV.	Escrow Account	Escrow is a financial instrument whereby the escrow money is held by a third party (financial institution such as bank) on behalf of two other parties that are in the process of completing a transaction. Here the two parties are the Government Body and Applicant.
V.	Industrial Area	Estates developed by APIIC and declared as industrial area in the Master Plan of UDAs
VI.	IALA	Industrial Area Local Authority
VII.	MA &UD	Municipal Administration and Urban Development Dept.,
VIII.	ZO	Zonal Office of APIIC

2. Introduction

Andhra Pradesh is one of the foremost States in terms of creating a complete industrial ecosystem with best-in-class infrastructure. It has established itself as one of the most preferred location for investment in India. As per the Industrial Development Policy 2020-23, GoAP has identified Industrial Zoning as a keyfocus area to ensure a planned Industrial Development, provide a 'risk-free' investment-friendly environment for setting up of industries and minimize the impact on the environment.

With the passage of time, it has been observed that many polluting industries especially hazardous industries which have also come within the limits of ever expanding urban agglomeration. In the past few years, the State has witnessed incidents leading to environmental disaster caused by hazardous industries while exposing public health to serious threats. There is an exigent need for taking preventive measures in terms of environmental management and public health while also ensuring industrial development.

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In light of above circumstances, the Government of Andhra Pradesh (GoAP) through "Co-ordinated Growth Policy"(the "Policy") intends to enable "Change of Land Use' from 'Industrial' to 'Multipurpose use' such as 'Commercial/ Residential' through an online application process. Further Ind. & Comm. Department vide G.O.Ms.No.06, dated 04.02.2022, has mentioned that the detailed guidelines will be issued separately to the G.O and hence in accordance following are the detailed guidelines.

3. Existing Provision

The existing provisions cited under G.O.Ms.No.102, MA&UD (M) Department, Dated 12.02.2020, only allows for the 'Change of Land Use' (CLU) from 'Industrial' purpose to 'Commercial' purpose through payment of a 'Conversion Fee'.

Further, the Change of Land Use for industrial units in the industrial areas ofAPIIC, are subject to issuance of No Objection Certificate (NOC) by APIIC. Following are existing norms of APIIC:

Sl. No.	Category	Present rate of Process Fee for APIIC
1	Industrial Support/industry related commercial activities like cold storage/Warehouses /Godowns, weigh bridges, Quality control laboratories, packaging units, petrol outlets.	40% on the prevailing landcost
2	Purely Commercial activities like Business centers, Business Hotel cum Convention Centre, show room, malls or such other related activities, for such approvals the layout needs to be revised and to secure approval of revised layout	70% on the prevailing land cost

4. Need for the Policy

Swiftly changing nature of business operations, global pandemic, change in abutting land use and other similar challenges have made many industrial units sick or facing difficulty to operate, which has led to illegal conversion from industrial to other uses such as residential or commercial. Several representations have been received from unit holders requesting for "Change of land use" in industrial estates to preserve employment, reduce environmental impact and bring in fresh investment, which signifies a huge pent-up demand. With an intend to address such issues the Government has come up with the 'Coordinated Growth Policy' that seeks to:

A. Resolve the difficulties faced by sick units due to various factors and units which cannot operate due to pollution, urban growth and other factors.
B. Unlock the land potential of brownfield assets by allowing "Change in Land use" from industrial use to non-industrial use such as residential/commercial.
C. Confine operations of polluting industries especially Hazardous industries classified under 'Manufacture, Storage and import of Hazardous Chemical Rules 1989' within urban limits, that pose a significant risk to the citizens of the vicinity areas.
D. Desist from occurrence of incidents that can cause major threat to environment due to co-existence of industrial and urban conglomerate within urban limits.
E. Safeguard the widespread environmental degradation which can cause significant adversities to human health.

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5. Policy Initiative

The policy is intended to be implemented under below framework:

A. APIIC has played a vital role in the promotion and development of industries in the State and is the custodian of industrial lands. In light of this, APIIC will be "Nodal Agency".
B. The policy will be implemented across the state for units located in APIIC industrial parks/estates and standalone industrial units outside APIIC estates which are:
   B.1. Classified as 'Sick Units' as per RBI definition
   B.2. Cannot operate due to pollution, urban growth and other factors.

C. Applicants can apply through Single Desk Portal (SDP) of Dept. of Industries for development permission

6. Application Process

A. All eligible unit holders can file applications in the Single Desk Portal (SDP) of Dept. of Industries for "Change of Land Use" (CLU) and Grant of No Objection Certificate (NOC).
B. Post registration, applicant will be directed to submit the CLU application (ref: Annexure-II Part-I and clause 11) by paying a non-refundable processing fee of INR 10,000 (Rupees Ten Thousand only) through online payment gateway. If the online application system is not in operation, manual applications application (ref: Annexure-II Part-I and clause 11) shall be processed.
C. All applications thus submitted, shall be received by respective IALA for scrutiny and verification. For estates which are not covered under IALA, respective Zonal Office-APIIC, shall execute the scrutiny and verification process. The Nodal Agency (APIIC) shall scrutinize the online applications within 3 days from the date of receipt of the applications with regard to submission of required documents for seeking CLU.
D. In case of any missing document IALA/ZO shall send intimation to respective applicants through SDP for submission of the necessary documents. Applicant shall have a maximum time period of 10 days to submit the necessary documents from the date of intimation. Any applicant failing to submit within the stipulated timeframe, the application shall be summarily rejected.
E. APIIC (Nodal Agency) shall form the NOC Committee (Refer Annexure-I) for scrutiny of each application with reference to eligibility criteria (Ref: clause 8) and provide NOC to eligible applicant within 15 day from the receipt of application. The NOC Committee reserves the right to reject the application at its own discretion, without submitting any reason.
F. The IALA/ZO shall raise following demand notice through SDP to the applicants of approved applications within 7 day from the date of approval by the NOC Committee.

Sl. No.	Type of Charge	Category	Proposed Fee
	NOC Charges	Industrial units located in APIIC industrial parks/ estates and Standalone industrial units outside APIIC estates	50% of the Market value(i.e. Non- Agricultural: SubRegistrar Rate) **Or;** Surrender 50% of the land The amount shall be remitted to an **Escrow Account**
		Industrial units on self-acquired land	15% of Market Value ofthe land The amount shall be remitted to an **Escrow Account**

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G. Post receipt of payment of NOC Charges, the approved applications shall be forwarded by IALA/ZO to UDAs/ DTCP for providing CLU. IALA/ZO shall fill details as per Annexure-II, Part-II against each approved application along with the NOC and submit to respective ULBs/UDAs/ DTCP within **7 day** from the date of receipt of complete payment of NOC charges. Further, sites covered under the Master Plan limits of UDA's/ ULB's, are eligible for processing of CLU.

H. The ULBs/UDAs/DTCP concerned shall examine the applications as per the existing rules and the same shall be forwarded to the MA&UD Department duly filling details as per Annexure-II, Part-III within **15 day** from the date of receipt of application from IALA/ZO, for providing principal approval.

I. MA&UD Department is to provide principal approval within 15 days from the date of receipt of applications. After draft approval the same shall be forwarded to concerned UDA/DTCP for publication of the draft inviting public opinion and raising demand for payment of CLU charges to the applicant through SDP/Manually as prescribed in G.O.Ms.No.102, MA&UD (H) Dept. or any other Government Order issued from time to time.

J. After **15 days** the recommendation to the final approval along with receipt of CLU charges shall be forwarded to the MA & UD Department for providing final approval of CLU.

K. Post final approval the applicant can get the CLU certificate issued vide Government Order.

The GoAP may in larger public interest or in the interest of overall development of State, may modify or relax any of the condition stipulated herein for reasons to be recorded in writing.

7. Escrow Account

All monetary considerations pertaining to "**NOC**" levied under the Policy will be collected in an Escrow Account which will be used for the purpose of financing the development of new industrial parks, development of external infrastructure (such as water, roads etc.) for existing or upcoming industrial areas and improvement of industrial infrastructure in the state or as may be decided by the Government.

8. Eligible Applicants

Applicants fulfilling below criteria shall be considered eligible:

1. The proposed Policy will be applicable to units in APIIC estates, Government lands and stand-alone industries.
2. Conversion of land use from industrial to other land use would be allowed only for sick units and other units which cannot operate due to pollution, urban growth and other factors.
3. This change of land use would only be applicable after 10 years of land allotment by APIIC/Government or purchase by individuals, companies, etc., as the case may be.
4. Industrial unit is not falling under the buffer zone fixed by the Andhra Pradesh Pollution Control Board (APPCB) for Hazardous industrial units classified under 'Manufacture, Storage and import of Hazardous Chemical Rules 1989'

CLU cannot be claimed as a matter of right and shall be considered only in cases which qualify the criteria prescribed herein above. Further, any application not fulfilling the eligibility criteria will be summarily rejected by the Nodal Agency duly recording in Writing.

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9. Term and Condition

A. The industrial land of the unit holder that has been applied for conversion should not be under litigation or cancellation of allotment as on the date of CLU application.
B. The proposed line of activity shall not violate or restrict development activities as per G.O.Ms.No.119, MA & UD (H) Department, dt.28.03.2017 or any other Government Order released from time to time.
C. There shall be no encumbrance existing on the property either physical or financial and the applicant shall submit an undertaking to this effect along with a copy of the latest Non- Encumbrance Certificate.
D. Detailed Project Report on the proposed Residential/Commercial or mixed development should be submitted.
E. Applicant shall pay the required processing fees to local authorities concerned in addition to the payments required to be made towards NOC by APIIC.
F. CLU cannot be claimed as a matter of right and shall be considered in the cases which qualify the criteria prescribed herein above to ensure coordinated growth. Further, any such application so filed, may be rejected by the Nodal Agency for reasons to be recorded in writing, if any such proposal fails to fulfill the criteria above.

10. List of Documents for Application

Applicant to submit following documents:

a. Documents and forms as per **Annexure-II.**
b. Details of Land (Copy of title deed/ sale deed) along with zoning details, photographs of surrounding areas and other evidences supporting their case.
c. Justification on why the land is no longer suitable for industrial use along with the proposed new line of activity.
d. Undertaking that the property has no encumbrance existingon the property either physical or financial along with Non- Encumbrance Certificate.
e. Detailed project report (Specifying the purpose for change ofland use).
f. If any additional document or information is required, it shall be notified to applicant though online for submitting response within 15 days. Failing to respond will lead to cancellation of application.
g. Other KYC Documents.

11. Payment Terms

A. On issuance of demand notice for NOC by respective IALA/ZO the Applicant will have a maximum time of three (3) months to make the payments.
B. In case of failure of Applicant to pay the fees within the stipulated time, the application shall stand cancelled.

ANNEXURE-I: NOC Committee Members

Sl. No.	Committee Members
1.	Executive Director, APIIC Ltd.
2.	Chief Engineer, APIIC Ltd. –North (Convener)
3.	Chief Engineer, APIIC Ltd. - South
4.	Company Secretary, APIIC Ltd.
5.	Deputy Collector O.S.D (Lands)
6.	Chief General Manager (Asset Management), APIIC Ltd.
7.	Chief General Manager (Finance), APIIC Ltd.
8.	Respective IALA Commissioner/ Zonal Manager
9.	General Manager (MIS), APIIC Ltd.
10.	General Manager, Local Authority Cell
11.	Chief Planner (Deputy Director of Town Planning on Deputation to APIIC Ltd.)
12.	Planning Officer (TPO on Deputation to APIIC Ltd.)

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP